

POL	PROCUREMENT EVALUATIONS	SES3
------------	--------------------------------	-------------

POLICY CODE:	SES3
DIRECTORATE:	Executive Support Department
BUSINESS UNIT:	Executive Support Department
SERVICE UNIT:	Executive Support Services
RESPONSIBLE OFFICER:	Chief Executive Officer
FILE NO.:	182/001
DATE FIRST ADOPTED:	24 August 1999
DATE LAST REVIEWED:	14 December 2017
ATTACHMENTS:	N/A
DELEGATED AUTHORITY REF.:	SES3
VERSION NO.	6

Dates of Amendments / Reviews:		
DAPPS Meeting:	31 January 2013 22 May 2014 25 February 2016	24 November 2016 23 November 2017
OCM:	17 September 2002 14 February 2013 12 June 2014	10 March 2016 8 December 2016

BACKGROUND:

Council is required to award (evaluate and issue) contracts for the provision of goods and services to the City in accordance with the requirements of the Local Government (Functions and General) Regulations 1996 and the City’s Procurement Policy (SC38), by either calling Public Notices, Tenders (RFT), Requests for Proposal (RFP), Expressions of Interest (EOI – a two stage tendering process); or by formal Requests for Quotation (RFQ – a selective sourcing process).

This policy outlines the delegated financial authority (DFA) requirements for awarding contracts (including the approval of purchase orders). Evaluation panels are formed dependent on sourcing method and risk profile.

A Purchasing Policy (SC38) was adopted in May 2007 and this was revised and retitled to Sustainable Procurement Policy in April 2008 and modified to ‘Procurement’ in March 2014.

All values referred to in this Policy are exclusive of Goods and Services Tax (GST).

PURPOSE:

To provide direction to Council and its Officers (or Consultants acting on behalf of Council) in evaluating public notices, RFT, RFP, EOI or RFQ submissions in a methodical and consistent manner in order to demonstrate an accountable and equitable process of selecting the most advantageous outcome to Council.

POL	PROCUREMENT EVALUATIONS	SES3
-----	-------------------------	------

Evaluations and recommendations are prepared to a consistent standard and in sufficient detail that allows for considered decisions to be made by Council or the Delegate(s). They are required to mitigate risk, promote transparency and fairness, report value for money objectives, consider sustainable outcomes, be compliant to relevant Legislation, Acts and the City Policies / Procedures and facilitate any debriefing process.

POLICY:

(1) Ethics and Integrity

All employees of the City must demonstrate the utmost integrity and ethical decision making when evaluating sourcing documentations. To this effect, the City's Procurement Policy, Code of Conduct and Statement of Business Ethics must be observed at all times. The following principles must be observed and enforced in all stages of the procurement evaluation process:

- All sourcing evaluation activities must be fully documented in accordance with applicable Policies and Procedures;
- Any actual or perceived conflicts of interest encountered during the period of evaluation process are to be identified, disclosed and appropriately managed; and
- Any conflicts of interest of any kind must be declared in accordance with the City's Conflict of Interests Assessment Guide & Record Form and associated management procedure.

(2) Evaluation Criteria

The evaluation criteria must be established prior to engaging the supply market. The evaluation and selection process including any reports and recommendations made to Council, or any decisions made under the Delegated Authority of Council shall be based on, and made in accordance with the following evaluation criteria:

2.1 Compliance Criteria

Non-weighted criteria that will result in the elimination of a submission or response and shall include:

- Compliance with the Specification;
- Compliance with the Conditions of Tendering or Responding; and
- Financial Risk Assessment Report - Major Projects / High risk contracts / Procurement expenditure over \$1,000,000.

Other compliance criteria shall be selected to reflect the importance of other compliance requirements and may include compliance with insurance requirements, occupational safety and health requirements etc. and shall be in accordance with the City's Procurement Procedures.

2.2 Qualitative Criteria

Weighted criteria that shall include:

- Sustainability – to measure an organisations environmental, social and economic impact on the community. This criterion can include environmental certification, certified product eco-labelling, Indigenous business engagement and disability employment inclusion.
- Other qualitative criteria may be selected to reflect the importance of other key requirements and these may include demonstrated relevant experience; key personnel skills and experience, financial capability and project methodology. For homogenous (identical) composition goods and/or services, these criteria are of lesser importance and are weighted appropriately. Examples of a homogenous products / service include the supply of energy and lease financing.

2.3 Price Criteria

Weighted criteria are allocated based on the commercial value and the homogenous (identical) composition of goods and/or services being considered. This may include different cost methods; such as lump sum, whole of life, time & materials and a schedule of rates.

(3) Weightings

Weightings shall be allocated to price and qualitative evaluation criteria and shall be used in evaluating all formal market engagements. Weightings must be disclosed to potential suppliers as part of any formal procurement process.

Price and Sustainability weightings shall be allocated in accordance to following table (unless approved otherwise by the Director Finance & Corporate Services):

Weightings	
Evaluation Criteria	Weighting
Cost (Price)	Up to maximum of 50%, except for homogenous (identical) goods/services where there is no maximum
Sustainability	Up to maximum of 15%

Evaluation criteria shall be allocated weightings to reflect their degree of importance in the evaluation / selection process and the allocated weightings together with price shall total 100%.

POL	PROCUREMENT EVALUATIONS	SES3
-----	-------------------------	------

(4) Canvassing

Canvassing of City of Cockburn Elected Members, Staff, Contractors or their representatives; will result in the elimination of that submission from the selection process. Tenderers/Respondents may only contact those Council staff or Consultant(s) nominated in the documentation for the purposes of obtaining further information required to assist with the preparation of their submission /response.

(5) Evaluation Panel

The City shall form an evaluation panel based on the sourcing method and the level of risk associated with the requirement. The size and composition of the panel will be dependent on the value and complexity of the expected contract. Evaluation panels must meet the following parameters:

- Be Chaired by the contract owner / project lead or a senior staff member;
- Includes the officer who developed the scope / specification;
- A probity officer from Procurement Services (where deemed appropriate)
- Have a minimum of;
 - Public notice sourcing (tenders):**
 - three (3) Council officers or a minimum of two (2) Council officers and one (1) Consultant for where one (1) staff member must be independent (not connected to the same business unit),
 - one (1) Senior Manager (SMT) or equivalent;
 - Non-public sourcing (pre-qualified suppliers)**
 - a minimum of (3) Council officers (including one independent member) for all City, WALGA or WA government contracted suppliers, or suppliers available through an exemption process or suppliers sourced through a non-public notice process.

Evaluation panel members are selected by the nominated Chairperson, after the Chairperson has been appointed in consultation with the contract owner and Procurement Services. If required the Procurement Services Team will assist the chairperson to appoint the panel.

City officers are not permitted to be members of an Evaluation Panel until they have completed the procurement evaluation training provide by Procurement Services relevant to local government procurement.

Procurement Services will determine whether an independent Probity adviser role is required, taking into account whether the recommendation will be approved by Council or the procurement is complex, unusual in nature, politically sensitive or subject to a high degree of public scrutiny.

POL	PROCUREMENT EVALUATIONS	SES3
-----	-------------------------	------

(6) Evaluation Process

Procurement services will establish and administer the evaluation methodology to be used by evaluation panels. This will endeavour to identify the best value on offer to the City. The evaluation panel is duty bound to evaluate submissions with due care and knowledge and free of any conflict of interest that might undermine the fairness of the evaluation process.

The following evaluation methodology shall be used:

- a) Submissions are checked for completeness and compliance.
- b) Submissions are assessed against the evaluation criteria only.
- c) Each panel member shall independently assess submissions against the set criteria and submit their score to the Procurement representative.
- d) The most suitable tenderers/respondents may be short listed, have referees contacted and may also be required to validate their tender/response, make a presentation, demonstrate the solution offered and/or open premises for inspection.
- e) A consensus review will be conducted on the evaluation process results where a meeting may be called to normalise scores. Once consensus is reached, costs are then added to the final assessment and preferred ranking.
- f) All requests for clarification(s) shall be referred to the Procurement representative. Tenderers/Respondents are not to be contacted directly by any evaluation panel member. All clarifications shall be in writing and shall be sent to all submitters equally.

A contract may then be awarded to the Tenderer/Respondent whose submission is considered the most advantageous to the City; or in the case of EOI's, a RFT is issued to those deemed acceptable Tenderers. A contract is required where a formal sourcing process is conducted and where the service is either of an ongoing nature or of such nature that requires the formation of a contractual agreement. The formal contract document will be prepared by Procurement Services. For lower value or more simple purchases, a purchase order will be raised to cover the requirement.

- (7) Records created during the evaluation activity must be retained in compliance with the State Records Act 2000 (WA). As a minimum records include: Individual evaluation panel member scoresheets and final consensus scoring and rankings.

(8) Recommendations

Recommendations arising from formal market engagements to be approved by:

POL	PROCUREMENT EVALUATIONS	SES3
------------	--------------------------------	-------------

Total Contract Value (GST Exclusive)	To be Approved By
Non-Tenders	
Less than DFA	One(1) Director or Senior Manager (SMT) (DFA for non-formal market engagement)
Tenders	
Less than \$325,000	Delegated Authority – One(1) Director and CEO
From \$325,001 to \$650,000	Delegated Authority – Two(2) Directors or One(1) Director and CEO
Greater than \$650,000	Council Meeting

Any Elected Member has the right to request that any tender or expression of interest or other formal market engagement be referred to Council for approval.

A recommendation report to Council or a Delegated Authority shall be prepared in accordance with Position Statement PSES15 – Reports to Council or Delegated Authority - Tenders.

(9) Requisition Authorisation

Senior Managers (SMT) or Directors are authorised to set the financial limit (DFA level) in which City officers can approve requisitions and commit budgeted expenditure. The DFA levels are held in the purchasing system to enable requisitions and purchase order amendments to be approved.

The standard Delegated Financial Authority is stated below;

DFA LEVEL	City of Cockburn Staff	AUTHORISATION LIMIT
		GST Exclusive
1	CEO	>\$325,000
2	Directors Only	>\$325,000
3	SMT Managers Only	\$325,000
4	Managers and Level 9 Officers	\$250,000
5	Level 7 to 8 Officers	\$100,000.
6	Level 5 to 6 Officers	\$50,000
7	Level 4 Officers	\$10,000
Level 1 to 3 Officers and Procurement Officers Excluded		

All requisition approvals of goods and / or services must be in accordance with this policy and the Procurement Policy SC38. All City officers granted a DFA level must complete a Procurement Induction and Purchasing Training

POL	PROCUREMENT EVALUATIONS	SES3
------------	--------------------------------	-------------

before the authority is activated. Procurement Inductions must be refreshed every two years.

(10) Purchasing Authorisation

The Director, Finance & Corporate Services must authorise the financial limit (Purchase DFA level) for authorised officers within the Procurement Team, allowing purchase orders to be released and a financial commitment made to the supplier.